

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Aragon Resources Limited ABN 63 114 714 662 (“the Company”) will be held at 10.00am (WST) on Tuesday, 24 November 2009 in the Mosman Bay Room, Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia.

AGENDA

BUSINESS

The business of the meeting will consist of:

ORDINARY BUSINESS

1) **Financial statements and reports**

To receive and consider the financial statements and reports of the Directors and the Auditors for the year ended 30 June 2009.

2) **Resolution 1 – Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report for the year ended 30 June 2009 as disclosed in the 2009 Annual Report be adopted.”

Note: the vote on this resolution is advisory only and does not bind the directors of the Company.

3) **Resolution 2 - Election of Director – Brian David Thomas**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Brian David Thomas, a director retiring from office by rotation, and in accordance with Rule 13.2 of the Constitution, being eligible, is re-elected as a Director of the Company.”

4) **Resolution 3 – Authority for Issue of Options to Peter Gerard Cook**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 (Cth), and for all other purposes, the Directors be authorised to allot and issue up to a maximum of 750,000 options to acquire ordinary shares in the capital of the Company, for nil consideration, with an exercise price of 120% of the weighted average closing sale price of the Company’s fully paid ordinary shares on the ASX over the 20 trading days immediately preceding the day on which the Board resolves to offer those options, and exercisable at any time prior to 30 November 2012, to Peter Gerard Cook (or his nominees), and on the terms and conditions which are described in section 4 of the Explanatory Memorandum accompanying this Notice of Annual General Meeting.”

In relation to Resolution 11, pursuant to Listing Rule 10.13.6 of the Official Listing Rules of the Australian Securities Exchange Limited, the Company will disregard any votes cast by Peter Gerard Cook (or his nominees) or any of his associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5) **Resolution 4 – Authority for Issue of Options to Paul Garrett Benson**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 (Cth), and for all other purposes, the Directors be authorised to allot and issue up to a maximum of 1,250,000 options to acquire ordinary shares in the capital of the Company, for nil consideration, with an exercise price of 120% of the weighted average closing sale price of the Company’s fully paid ordinary shares on the ASX over the 20 trading days immediately preceding the day on which the Board resolves to offer those options, and exercisable at any time prior to 30 November 2012, to Paul Garrett Benson (or his nominees), and on the terms and conditions which are described in section 4 of the Explanatory Memorandum accompanying this Notice of Annual General Meeting.”

In relation to Resolution 12, pursuant to Listing Rule 10.13.6 of the Official Listing Rules of the Australian Securities Exchange Limited, the Company will disregard any votes cast by Paul Garrett Benson (or his nominees) or any of his associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6) Resolution 5 – Authority for Issue of Options to Brian David Thomas

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 (Cth), and for all other purposes, the Directors be authorised to allot and issue up to a maximum of 500,000 options to acquire ordinary shares in the capital of the Company, for nil consideration, with an exercise price of 120% of the weighted average closing sale price of the Company’s fully paid ordinary shares on the ASX over the 20 trading days immediately preceding the day on which the Board resolves to offer those options, and exercisable at any time prior to 30 November 2012, to Brian David Thomas (or his nominees), and on the terms and conditions which are described in section 4 of the Explanatory Memorandum accompanying this Notice of Annual General Meeting.”

In relation to Resolution 12, pursuant to Listing Rule 10.13.6 of the Official Listing Rules of the Australian Securities Exchange Limited, the Company will disregard any votes cast by Brian David Thomas (or his nominees) or any of his associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7) Resolution 6 – Section 195 Approval

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of section 195(4) of the Corporations Act 2001 (Cth), and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions contemplated in the Notice of Annual General Meeting and the Explanatory Memorandum.

OTHER BUSINESS

To transact any other business which may be brought forward in accordance with the Company’s Constitution.

VOTING ENTITLEMENT

For the purpose of determining an entitlement to vote at the General Meeting, a person will be recognised as a member if that person is registered as a holder of Aragon Resources Limited shares at **10.00 am on (48 hours before meeting) Sunday, 22 November 2009**.

Dated: 21 October 2009

For and on behalf of the Board



F. Van Maanen
Company Secretary

NOTES

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint no more than two proxies (who need not be members of the Company) to attend and vote on a poll in the members place.
- (b) The appointment of two proxies will be of no effect unless each proxy is appointed to represent a specified proportion of the member’s voting rights. A single proxy exercises all voting rights.
- (c) The form of proxy must be signed by a member or the member’s attorney duly authorised in writing or if the member is a corporation under its corporate seal or in accordance with section 127 of the Corporations Act 2001 or by its duly authorised attorney or representative. If an attorney is to attend the meeting please submit the relevant power of attorney for noting and return.
- (d) The Company has determined in accordance with regulations pursuant to section 1074E of the Corporations Act 2001 that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company’s register as at 10.00 am on (48 hours before meeting) Sunday, 22 November 2009.
- (e) A corporation may elect to appoint a representative in accordance with the Corporations Act 2001 in which case the Company will require written proof of the representative’s appointment which must be lodged with or presented to the Company before the meeting.
- (f) If you have any queries in relation to proxies please call the Company’s share registry, Security Transfer Registrars Pty Ltd, on (08) 9315 2333 (if within Australia) or +61 8 9315 2333 (if from overseas) within business hours.

EXPLANATORY MEMORANDUM

ARAGON RESOURCES LIMITED

ABN 63 114 714 662

ORDINARY BUSINESS

1. Financial statements and reports

Distributed with Notice of Annual General Meeting and to be tabled and discussed.

2. Approval of the Remuneration Report (Resolution 1)

In accordance with section 250R(2) of the Corporations Act 2001 the Company is required to present to its shareholders for their consideration and adoption by way of a non-binding resolution the Company's Remuneration Report as disclosed in the Company's 2009 Annual Report.

3. Election of Director – Brian David Thomas (Resolution 2)

Mr Thomas is a geologist (BSc, MBA, SA Fin, MAusIMM, MAICD) with more than 20 years of mining and exploration industry experience in a broad range of commodities from precious and base metals, bulk and industrial minerals, diamonds plus oil and gas. This is complemented by 12 years in the Australian financial services sector working in corporate stock broking, investment banking, fund management and with an Australian commercial bank, sourcing mining finance opportunities. He is currently Managing Director of Chrome Corporation Limited, a Non-Executive Director of White Cliffs Nickel Limited and was one of the founding directors of Aragon Resources Limited.

4. Issue of Options to Directors (Resolutions 3 to 5)

Shareholder approval under resolutions 3 to 5 is sought for the issue of options to acquire shares to the named Directors of the Company (or to their nominees), for the purposes of:

- Chapter 2E of the *Corporations Act 2001 (Cth)* ("Corporation Act"), which governs the giving of financial benefits to related parties (such as directors of a company); and
- ASX Listing Rule 10.11, which requires the issue of securities to a director of a company to be approved by the shareholders of the company by way of ordinary resolution.

As a result of ASX Listing Rule 7.2 (Exception 14), approval of shareholders is not required under ASX Listing Rule 7.1 to the issue of options to the named Directors (or their nominees), if approval of shareholders is given under ASX Listing Rule 10.11.

For the purposes of ASX Listing Rule 10.13 (in relation to the issue of options to Directors, or their nominees):

- The options to be issued under resolutions 3 to 5 will be issued to the Directors named in those resolutions in the Notice of Meeting, being Messrs Cook, Benson and Thomas, or to their respective nominees;
- The maximum number of options to be issued is 750,000 to Mr Cook, 1,250,000 to Mr Benson and 500,000 to Mr Thomas (or their respective nominees);
- The options to be issued under resolutions 3 to 5 will be issued no later than 1 month after the date of the Annual General Meeting;
- The options to be issued under resolutions 3 to 5 will be for nil consideration, and on the terms set out in Annexure A to this Explanatory Memorandum;
- No funds will be raised by the issue of options under resolutions 3 to 5, as they will be issued for nil consideration. Any funds raised from time to time due to the exercise of any of the options will be applied for such purposes of the Company as the Directors think fit; and
- A voting exclusion statement is contained in the notes to the resolutions 3 to 5 in the Notice of Annual General Meeting, in accordance with the ASX Listing Rules.

4. Issue of Options to Directors (Resolutions 3 to 5) (Continued)

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit, such as the issue of options, to a related party (including a Director) of the Company, unless either:

- The giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- Prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after the approval.

Each of Messrs Cook, Benson and Thomas as Directors are “related parties” of the Company for the purposes of Part 2E of the Corporations Act, and the issue of options to each of them (or their nominees) may constitute the giving of a “financial benefit” for this purpose.

In accordance with section 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess whether or not it is in the Company’s best interests to pass resolutions 3 to 5:

- Each of Messrs Cook, Benson and Thomas are the related parties to whom the proposed resolutions would permit a financial benefit to be given. Each of them is a related party of the Company by virtue of section 228 of the Corporations Act.
- The nature of the financial benefit to be given to these related parties is the issue of the options as a part of their remuneration and incentive packages, on the terms set out in this Explanatory Memorandum.
- Messrs Cook, Benson and Thomas decline to make a recommendation to shareholders in respect to resolutions 3 to 5 as they each have a material personal interest in the outcome of the resolutions to the extent that the resolutions provide for the issue of options to each of them.
- Messrs Cook, Benson and Thomas have an interest on resolutions 3 to 5. Details of the potential benefits and costs to the Company are listed below.

Shareholders should note that for the reasons previously stated in this Explanatory Memorandum, it is proposed to grant options to Peter Gerard Cook and Brian David Thomas, both of whom are Non-Executive Directors, notwithstanding Guideline 8.2 of the ASX Corporate Governance Principles and Recommendations which guidelines provides that Non-Executive Directors should not receive options.

Potential Benefits

If the options are issued to Messrs Cook, Benson and Thomas (or their nominees), pursuant to the proposed resolutions, the Company considers the following benefits arise:

- Each of Messrs Cook, Benson and Thomas will have a vested interest in the affairs of the Company. As options are a performance based incentive, Messrs Cook, Benson and Thomas will have a financial incentive to ensure the market price of the underlying shares of the Company increase to create value in the options, and this will benefit all shareholders.
- The issue of options is a non-cash form of remuneration, thus conserving liquid funds.

Potential Costs

The potential costs to the Company of the placement of an aggregate of 2,500,000 options to Messrs Cook, Benson and Thomas is that their will be a dilution of the issued share capital if the options are exercised. Based on 67,529,775 shares currently on issue:

- The exercise of the options would have a dilutionary effect of approximately 3.6%. There are currently the following options on issue in the Company:

Type	Number of Options	Exercise Price	Expiry Date
Listed	24,970,265	25 cents	30 September 2010
Unlisted	1,000,000	35 cents	28 November 2011
Unlisted	1,250,000	30 cents	31 May 2011
Unlisted	100,000	30 cents	1 July 2011
Unlisted Employee Options	200,000	30 cents	13 August 2011
Total	27,520,265		

4. Issue of Options to Directors (Resolutions 3 to 5) (Continued)

If the options are exercised at a time when the market price of the Company's shares is greater than the exercise price of the options, there will be a detriment insofar as the Company will be required to issue shares at a price lower than it might otherwise have been able to, with the result that less funds will be raised.

Related Parties Existing Interests

Messrs Cook, Benson and Thomas presently have the following interests in shares and options of the Company:

Name	Ordinary Shares	Options exercisable at \$0.25 expiring 30 September 2010	Options exercisable at \$0.30 expiring 31 May 2011	Options exercisable at \$0.35 expiring 28 November 2010
Peter Gerard Cook*	92,277	46,139	-	1,000,000
Paul Garrett Benson	120,000	60,000	1,000,000	-
Brian David Thomas	740,000	360,000	250,000	-

* Mr Cook is a Director of Metals X Limited which holds 7,661,858 fully paid ordinary shares and 3,830,929 listed options in the Company.

Valuation

The option valuation is subject to the terms and conditions as set out in Annexure A of this Explanatory Memorandum.

In determining the value of the options, the Company is required to disclose the following information:

- A share price of \$0.12 is used, based on the share price of the Company on 24 September 2009.
- The exercise price of the option is \$0.14.
- Price volatility of the Company's shares is approximately 80%, which is based on the Company's share trading on the ASX over the past 6 months. Due to the volatility of market conditions over the last 12 months, the Company has determined that the 6 month volatility of the share price represents a realistic volatility of the Company's share price.
- All options will be exercisable immediately. and
- All options will expire if unexercised on 30 November 2012.

Based on these assumptions and using the Black and Scholes option valuation model, the Company estimates that the options to be issued to Messrs Cook, Benson and Thomas are valued at approximately \$0.055 each.

On that basis, the implied value of the options proposed to be issued to each Director (or his nominee) is as follows:

Name	Value \$
Peter Gerard Cook	\$41,250
Paul Garrett Benson	\$68,750
Brian David Thomas	\$27,500

Directors' Emoluments

The relevant Directors' current salaries per annum (including superannuation) and the total financial benefit to be received by them when added to the implied value to be received by each of the following Directors as a result of the grant of options the subject of resolutions 3 to 5 is as follows:

Name	Description	Amount per annum \$	Value of options to be issued \$	Total financial benefit \$
Peter Gerard Cook	Directors Fees	\$50,000	\$41,250	\$91,250
Paul Garrett Benson	Salary	\$196,200	\$68,750	\$264,950
Brian David Thomas	Directors Fees	\$38,150	\$27,500	\$65,650

4. Issue of Options to Directors (Resolutions 3 to 5) (Continued)

Trading History

At the time of preparing this Notice of Annual General Meeting, the closing price of the Company's shares on the ASX was \$0.12. The price of the Company's shares quoted on the ASX over the past 12 months has ranged from a low of \$0.055 on 4 February 2009 to a high of \$0.16 on 18 November 2008.

Other than the information set out in this Explanatory Memorandum, neither the Board nor the Company is aware of any additional information that would be reasonably required by Shareholders to enable them to make a decision whether or not it is in the Company's best interests to pass resolutions 3 to 5.

3. Section 195 Approval (Resolution 6)

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings when matters in which that director holds a "material personal interest" are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolutions 3 to 5. In the absence of this Resolution 6, the Directors may not be able to form a quorum at Directors Meetings necessary to carry out the terms of resolutions 3 to 5.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to the Shareholders to resolve upon.

ANNEXURE A

TERMS AND CONDITIONS OF DIRECTOR OPTIONS

- (a) Each option will entitle the holder to subscribe for and be allotted one fully paid ordinary share in the Company;
- (b) The options will be exercisable at any time before 5pm on 30 November 2012, by notice in writing to the Company accompanied by payment of the exercise price of 120% of the weighted average closing sale price of the Company's fully paid ordinary shares on ASX over the 20 trading days immediately preceding the day on which the Board resolves to offer that Option for each option;
- (c) The options will be transferable;
- (d) Shares allotted and issued pursuant to the exercise of the options will be allotted and issued not more than 10 business days after receipt of a properly executed notice of exercise of the options and payment of the requisite application moneys;
- (e) Shares issued upon exercise of the options will rank pari passu in all respects with the Company's fully paid ordinary shares. Subject to ASX escrow restrictions the Company will apply for official quotation by the ASX (of all shares issued upon exercise of the options) within 10 business days after the date of allotment of those shares;
- (f) There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital or bonus issues offered or made to shareholders during the currency of the options. However, the Company will send a notice to each optionholder at least 20 business days before the record date, and this will give optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue;
- (g) In the event of a bonus issue to holders of ordinary shares prior to the expiry date, the number of shares over which an option is exercisable will be increased in accordance with ASX Listing Rule 6.22.3;
- (h) In the event of a pro rata issue to holders of ordinary shares prior to the expiry date, the exercise price of an option will be adjusted in accordance with ASX Listing Rule 6.22.2;
- (i) In the event of any reorganisation or reconstruction of the issued capital of the Company on or prior to the expiry date, the rights of an optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation or reconstruction, and in all other respects the terms for the exercise of the options will remain unchanged;
- (j) The Company will, at least 20 business days before the expiry date, send notices to the optionholders stating the name of the optionholder, the number of options held and the number of securities to be issued on exercise of the options, the exercise price, the due date for payment and the consequences of non-payment.

PROXY FORM

ARAGON RESOURCES LIMITED
ABN 63 114 714 662

MEMBER/S NAME/S AND ADDRESS (PLEASE COMPLETE, SIGN AND DATE)

Name/s:

Address/es:

I/we appoint as my/our proxy the person named below at the Annual General Meeting of the Company to be held at 10.00 am (WST) on 24 November 2009 in the Mosman Bay Room, Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia and at any adjournment thereof.

Appointment of Proxy (leave blank and refer below if 2 proxies are to be appointed)

Box A

I/we appoint.....

as my/our proxy or failing him/her the Chairman to exercise my/our votes for me/us on my/our behalf.

OR

Appointment of Chairman

Box B

I/we appoint the Chairman to exercise all of my/our votes for me/us on my/our behalf.

DIRECTING YOUR PROXY HOW TO VOTE

I/we direct my/our proxy to vote in the following manner:

	RESOLUTION	FOR	AGAINST	ABSTAIN
1	Approval of Remuneration Report			
2	Election of Brian David Thomas as a Director			
3	Authority for Issue of Options to Peter Gerard Cook			
4	Authority for Issue of Options to Paul Garrett Benson			
5	Authority for Issue of Options to Brian David Thomas			
6	Section 195 Approval			

Box C

If the Chairman is to be your proxy and you have not directed your proxy how to vote, please place a mark in box C.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote in favour of each of the resolutions with respect to all undirected proxies given to him.

APPOINTMENT OF 2 PROXIES

*If you are entitled to cast 2 or more votes at the meeting, you may appoint 2 proxies instead of a single proxy
 (If you wish to appoint 2 proxies then complete below and note details for Appointment of Proxy on Proxy Form)*

I/we appoint
 (Insert name of first proxy)

to exercise (state number or proportion).....
 of my/our votes for me/us at the general meeting of the Company **AND**

I/we appoint
 (Insert name of second proxy)

to exercise (state number or proportion).....
 of my/our votes for me/us at the general meeting of the Company **OR**

failing one or both of my first and second proxies, then the Chairman to exercise my/our votes for me/us in respect of the number or proportion of my/our shares allocated to the absent proxy/s, as set out above.

Note: *If you appoint 2 proxies and do not specify the number or proportion of votes each proxy may exercise, then each will be entitled to exercise half of your votes (with fractions being disregarded).*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Daytime Telephone _____

DATED...../...../2009

NOTES FOR COMPLETION OF PROXY FORM

ARAGON RESOURCES LIMITED

ABN 63 114 714 662

APPOINTMENT OF PROXY (*see Proxy form*)

- **To appoint a single proxy** - tick **BOX A**, complete name of proxy and sign Proxy Form; **OR**
- **To appoint the Chairman only** - tick **BOX B** and sign Proxy Form;
- If you do not wish to instruct the proxy how to vote then you may also tick **BOX C**.

A proxy appointed to attend and vote for a member has the same rights as the member to vote (to the extent allowed by this appointment) and to join in the demand for a poll. If you mark the abstention box for a particular item, you are directing your proxy not to vote on a show of hands or on a poll and your shares will not be counted in computing the required majority on a poll.

To appoint 2 proxies to exercise a specified proportion of your votes – instead complete the box on the previous page specifying each proxy and the number or proportion of votes for each.

HOW TO SIGN PROXY FORM

- The proxy form must be signed by the member or by the member's attorney. If a joint holding then either shareholder may sign.
- If the proxy is signed by a person who is not the registered shareholder, then the relevant authority or a certified copy should either have been provided previously to the Company or be enclosed with this proxy. If sent by facsimile then the authority must be certified.
- If the member is a corporation, the proxy form must be signed in accordance with its constitution and the Corporations Act 2001, or under the hand of an authorised officer or attorney who has not received any notice of revocation. A person intending to vote shares held in the name of a corporation **MUST** bring a properly executed authority from the corporation in favour of the person attending.

DEADLINE FOR RECEIPT OF PROXIES

Proxies will only be valid and accepted by the Company if they are signed and lodged (not later than 48 hours before the meeting) with the Company **before 10.00 am on 22 November 2009** by:

- mailing your proxy to the Company at its share registry, **Security Transfer Registrars Pty Ltd, PO Box 535, Applecross WA 6953**; **OR**
- depositing your proxy with the Company at its share registry, **Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross WA 6953**; **OR**
- faxing your proxy to **(08) 9315 2233 / (08) 9202 1050** (if within Australia) or **+61 8 9315 2233 / +61 8 9202 1050** (if sent from overseas).

NB. Where a proxy form is faxed, the time of receipt will be determined by the receiving fax imprint and not the time as marked from the originating fax.